Course Managing Ethics in Organizations

Introduction

Business Ethics is traditionally the study of how companies and managers in companies have dealt with their responsibilities. In the past few decades, societies have put pressure on both business and politics, demanding more responsibility from the business world. In that period, important developments have demanded more and more attention: globalization, sustainability and new forms of quality management and governance. Those developments have offered the businessworld both challenges and opportunities.

Is ethics a personal matter? Yes and no. It has significance in personal lives, while it is shared with others and helps to organize behaviours within social groups. For that reason, attention is paid to the main cultures in the world and the ethical traditions that have developed within them.

For many companies, culture forms a complication in how the members of those organizations deal with ethics. For instance, in working in terms of sustainability, does "nature" have the same significance in different cultures? Is the scope of human responsibility seen in the same way? As thinking about the interests of stakeholders becomes more and more a requirement, we see the complication that more often than not those stakeholders are diverse in terms of culture. That means that thinking about how organizations and the people who make up organizations deal with their responsibilities has to take cultures into account.

Corporate Social Responsibility is clarified on the basis of the various approaches towards responsibility and the topics that do an appeal on responsibility.

About the instructors

Dr. Joop Remmé is a MBA professor and consultant from The Netherlands. He worked in Organizational Development at ABN AMRO bank and teaches OD, CSR and Strategy, from Peru to Nanjing, Cairo to Cologne. He has published on Corporate Social Responsibility, Ethics and Stakeholder Management, and works on Organizational Culture issues with Fons Trompenaars and Charles Hampden-Turner.

Marianne Tracy, PhD, SPHR, is a Bath Consultancy Associate Consultant. As a consultant specializing in Leadership and Organization Change, Dr. Tracy brings decades of international experience to her coaching and consulting practice. She writes on Leadership Development and Teams.

Content

Session 1

Introduction into ethics

An introduction into ethics first has to define key concepts, such as "ethics", "values", "norms" and "morality". Those concepts are immediately placed in their practical realities.

Cultures and Traditions of ethics (global)

Cultures, political systems and ideologies produce systems of ethics. Those traditions help the members of social groups, be they nations or companies, to coordinate and direct their behaviours, amongst themselves and directed at reality at large. As most of us have to make sense in a mutlicultural reality, both going abroad and operating at home, ethics and its translation into norms have to be seen in the context of the interactions of people from diverse cultures. The most important of those cultures are introduced in this course.

Session 2
Discrimination
Especially in a multicultural reality, discrimination has to be addressed. Here the dilemma-aspect of the course becomes apparent: employees and other stakeholders deserve to be treated the same, but they are very diverse. How to manage this challenge?

Corruption / Integrity
There is not much of a point to be to heavy-handed on corruption, although its damaging effects have been made clear in recent years, but one could be practical. It can best be defined as "to be influenced of to influence others to deviate from the correct execution of entrusted duties". It is obvious that it is damaging for comnpanies, and societies, when officials deviate from what they should be doing.
        It is best, from a business point of view, to promote what "correct execution of duties" entails and to improve integrity, defined as "to be consistent in all behaviours and in line with prevailing agreements.

Issues in Finance
In the past decades, the financial world has seen new developments in response to the call from society to be more responsible. Especially in the Arab world, this has lead to the impressive development of Sharia banking, refusing speculation. In ther parts of the world, we have seen the rise of microfinance, even resulting in a Nobel prize for one of its pioneers, mr. Yunuz.

Issues in Health
We have also seen in the past decades issues in health come to the fore. It was longer recognized in most of the world that companies should not have negative impacts on the health of their employees, clienst and other stakeholders. Developments like the AIDS crisis, especially affecting companies operating in Africa, have put that much stronger onto the agenda.

Session 3
Stakeholder Management
The notion of "stakeholder" dates back to the 1950's, but has received prominence since the 1980's, partly due to the book Strategic Management by Ed Freeman (1983), whose definition of stakeholder: "any person or group who is affected by how an organizations sets out to accomplish its goals" has by now been widely adopted..
        The issues and complications of stakeholder management are discussed and then it is discussed how Shell uses that line of thinking in approaching the Sustainable Development Goals.

Sustainability
Over the past 30 years, sustainability as developed from the Brundtland definition to the Sustainable Development Goals. The complication is that the SDGs have been developed by countries and for countries. Translating them into elements of corporate strategy is now the challenge that the business world is facing.

Bottom of the Pyramid
One of the widely recognized responsibilities of the business world is to respect the interests of clients. A special case arises when we look at clients in an entirely different economy than where the company is from. C.K. Prahalad pointed out with his Fortune at the Bvottom of the Pyramid (2002) that companies that are selling in developing economies the products they produce in the developed world were falling short of their responsibilities. He suggested various alternatives.

Resources
Crane, Andrew, Matten, Dirk, Business Ethics: Managing Corporate Citizenship and Sustainability in the Age of Globalization, Oxford (2010).
Assorted articles

Cases name   topic
      Truth telling across cultures   intercultural ethics
      Imtech   corruption
      Unilever palm oil   sustainability
      Brent Spar/Shell   stakeholder management
      Nestlé baby formula   Bottom of the Pyramid

Learning outcomes
The students will after succesful completion of the course be able to understand the background of the ethical considerations of the people they meet and the organizations they are involved with. They build that understanding from an understanding of their own ethical perspectives. This will build the competances to engage in productive interactions on sensitive issues, both in their work environment and in their personal lives.
Those competences include at least:
Being able to recorgnize the value system of other people
Being ready to engage in conversations on moral issues
Being able to manage the moral considerations within business decisions and actions

The course is taught at various locations in the US, Europe and the Middle East.

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